



Fiscal Policy and Sovereign Debt

IMF-CARF-TCER-WASEDA UNIVERSITY CONFERENCE

June 7-8, 2024 | Tokyo, Japan

(Kojima Hall Conference Room, University of Tokyo)

Friday, June 7

9:00 am – 09:20 am **Opening remarks:** Kenji Okamura (Deputy Managing Director, IMF)

09:20 am – 10:40 am Session 1: Demand for Sovereign Debt

Moderator: Era Dabla-Norris (Fiscal Affairs Department, IMF)

"Who holds sovereign debt and why it matters?"

Xiang Fang (University of Hong Kong), Bryan Hardy (Bank of International Settlements) and **Karen Lewis** (University of Pennsylvania)

Discussant: Eric Leeper (University of Virginia)

"Convenience yields and financial repression"

Jonathan Payne (Princeton University) and **Bálint Szőke** (Board of Governors of the Federal Reserve System)

Discussant: Francesco Bianchi (Johns Hopkins University)

10:40 am – 11:10 am Coffee Break

11:10 am – 12:30 pm Session 2: Optimal Fiscal Policy

Moderator: Keiichiro Kobayashi (Keio University)

"Can deficits finance themselves?"

George-Marios Angeletos (Northwestern University), **Chen Lian** (University of California Berkeley) and Christian K. Wolf (MIT)

Discussant: Huixin Bi (Federal Reserve Bank of Kansas City)

"Robust bounds on optimal tax progressivity"

Anmol Bhandari (University of Minnesota), Jaroslav Borovička (New York University) and Yuki Yao (University of Kent)

Discussant: Tomoyuki Nakajima (University of Tokyo)

12:30 pm – 02:00 pm Lunch

02:00 pm – 03:20 pm

Session 3: Pricing Sovereign Debt

Moderator: Kenichi Ueda (University of Tokyo)

"Sovereign debt, default risk, and the liquidity of government bonds"

Gaston Chaumont (University of Rochester)

Discussant: Francisco Roch (IMF)

"The puzzling behavior of spreads during Covid"

Stelios Fourakis (Johns Hopkins University) and Loukas Karabarbounis
(University of Minnesota and Federal Reserve Bank of Minneapolis)

Discussant: Taisuke Nakata (University of Tokyo)

03:20 pm – 03:50 pm Coffee Break

03:50 pm – 05:00 pm

Policy Panel

Moderator: Vitor Gaspar (Director, Fiscal Affairs Department, IMF)

Panelists: Junko Koeda (Waseda University)

Fernanda Nechio (Federal Reserve Bank of San Francisco)

Luiz Awazu Pereira (University of Tokyo; former Bank for International
Settlements)

Tomoko Hayashi (Director-General of Economic Research Bureau, Cabinet
Office; Chief Economist of Government)

06:30 pm – 08:30 pm Conference Dinner (by invitation only)

Saturday, June 8

09:10 am – 10:30 am Session 4: Sovereign Debt and Interest Rate Shocks

Moderator: Kosuke Aoki (University of Tokyo)

“Default and interest rate shocks: renegotiation matters”

Victor Almeida (Carleton College), Carlos Esquivel (Rutgers University), Timothy J. Kehoe (University of Minnesota) and **Juan Pablo Nicolini** (Federal Reserve Bank of Minneapolis and Universidad Torcuato Di Tella)

Discussant: Jing Zhang (Federal Reserve Bank of Chicago)

“Interest rate shocks and the composition of sovereign debt”

Eugenia Gonzalez-Aguado (Toulouse School of Economics)

Discussant: Kozo Ueda (Waseda University)

10:30 am – 11:00 am Coffee Break

11:00 am – 12:20 pm Session 5: Fiscal Policy in Japan

Moderator: Sagiri Kitao (GRIPS)

“Comparison of Various Fiscal Policies in the Face of Different Demographic Stages”

Naoyuki Yoshino (Keio University), Keigo Kameda (Kwansei Gakuin University), **Hiroaki Miyamoto** (Ministry of Finance, Hitotsubashi University) and Zhenkun Lu (Kwansei Gakuin University)

Discussant: Jacopo Cimadomo (European Central Bank)

“What about Japan?”

Yi-Li Chen (Federal Reserve Bank of St. Louis), Harold L. Cole (University of Pennsylvania), and **Hanno Lustig** (Stanford University)

Discussant: Makoto Saito (Nagoya University)

12:20 pm – 12:30 pm **Concluding remarks:** Kenichi Ueda (Director, CARF, University of Tokyo, and Representative Director, TCER)

12:30 pm – 02:00 pm Lunch

Conference organizers: *Era Dabla-Norris, Carlos Goncalves, Alexandra Solovyeva, Kenichi Ueda (CARF, University of Tokyo), and Junko Koeda (Waseda University).*